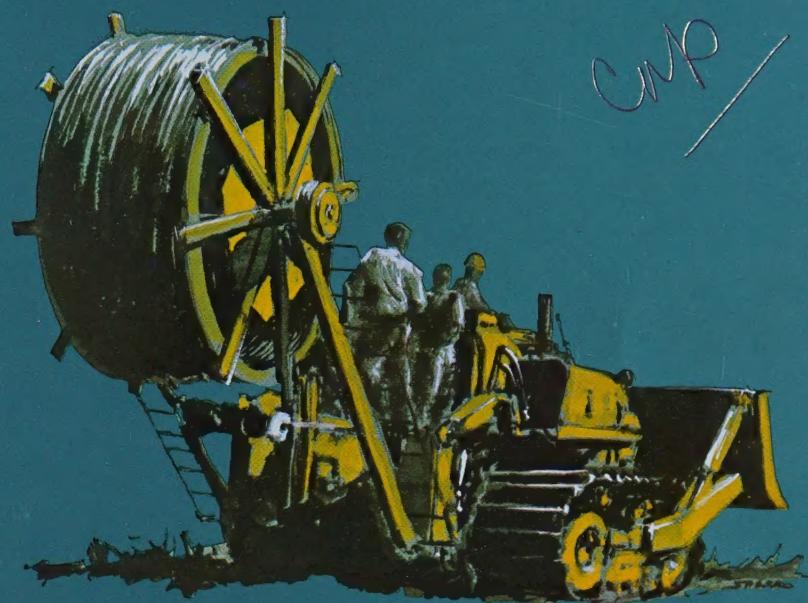
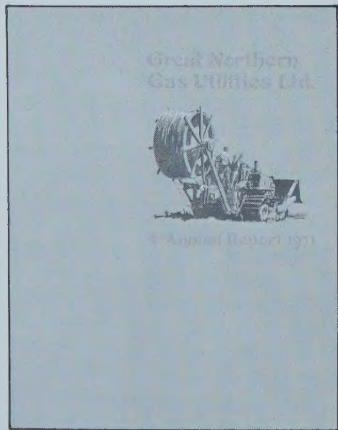


Great Northern Gas Utilities Ltd.

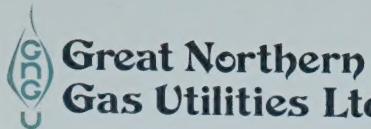


Annual Report 1971



Cover:

An artist's conception of the ploughing in of plastic pipe to provide natural gas to farms and rural communities in Alberta.



**Great Northern
Gas Utilities Ltd.** and subsidiaries

Highlights

	1971	1970	1969	1968	1967
Utility Customers at Year End . . .	32,182	30,369	28,706	25,043	23,006
Utility Gas Volumes (Mcf)	14,018,926	12,705,828	11,039,311	10,525,718	8,384,447
Electricity Volumes (KWH)	28,504,000	25,298,100	20,883,105	17,080,792	13,737,895
Sales (Note)	\$ 9,982,224	\$ 8,948,620	\$ 8,052,468	\$ 8,757,703	\$12,014,753
Other Revenue	\$ 1,030,031	\$ 1,106,148	\$ 1,029,844	\$ 931,035	\$ 240,711
Cash Flow	\$ 2,414,838	\$ 2,323,967	\$ 2,084,159	\$ 1,963,795	\$ 2,146,588
Net Earnings (Before extraordinary items) . . .	\$ 1,494,820	\$ 1,493,867	\$ 1,265,601	\$ 1,244,204	\$ 1,070,344
Working Capital (Exclusive of bank borrowings) . .	\$ 7,073,059	\$ 6,916,676	\$ 7,070,249	\$ 6,828,879	\$ 8,015,380
Long Term Debt (Inclusive of bank borrowings) . .	\$14,275,000	\$13,922,900	\$13,959,071	\$13,022,793	\$12,756,625
Annual Additions to Plant					
Utility	\$ 1,685,824	\$ 1,786,298	\$ 2,437,371	\$ 3,565,414	\$ 1,544,007
Other	\$ 326,468	\$ 215,349	\$ 110,647	\$ 3,203,708	\$ 1,049,544
Gross Plant (Before deducting customer contributions)					
Utility	\$23,664,151	\$22,150,715	\$20,600,907	\$18,294,141	\$14,868,190
Other	\$ 3,451,331	\$ 3,190,436	\$ 2,994,355	\$ 2,891,395	\$ 9,647,882
Miles of Pipeline (Transmission and Distribution)	2,658	2,521	2,240	1,711	1,097

Note: After giving effect to the sale of the propane operations as of May 31, 1968
and the acquisition of Fort St. John Petroleum Ltd. December 27, 1968.

TO THE SHAREHOLDERS:

The year 1971 was one of growth and progress for Great Northern Gas Utilities Ltd., as regards revenues, sales volumes and customers. Although this growth was responsible for improved operating earnings it was offset to a great extent by increases in the cost of sales in all categories.

Net earnings for the year ended December 31, 1971 amounted to \$1,494,820 and was substantially unchanged from \$1,493,867 (before an extraordinary item of \$168,750) for 1970. Total revenues for the year were up 9.5% to \$11,012,255 compared to \$10,054,768 for the preceding year. Net earnings attributable to common shares after payment of preferred dividends of \$163,388 amounted to \$1,331,432 compared to \$1,493,942 for 1970, which included the extraordinary item of \$168,750.

A breakdown of net earnings on a comparative basis is as follows:

	1971	1970	Increase (Decrease)
From operations	\$ 981,596	\$ 942,917	4%
From investments	513,224	550,950	(7%)
Extraordinary item	1,494,820	1,493,867	NIL
Total	<u>\$ 1,494,820</u>	<u>\$ 1,662,617</u>	<u>(10%)</u>

Combined sales for the year amounted to \$9,982,224 or 11½% over 1970. Utility sales were \$8,180,198 compared to \$7,308,856 for the preceding year, an increase of 12%. Other sales, that is propane and oil and gas production sales increased to \$1,551,085 from \$1,414,797 in 1970.

These increases in sales were achieved with weather on a weighted average basis that was 5.3% warmer than for the preceding year. This warmer weather was more than offset because of the increase in customers resulting from expansion of existing facilities and the construction of new systems to the communities not previously served.

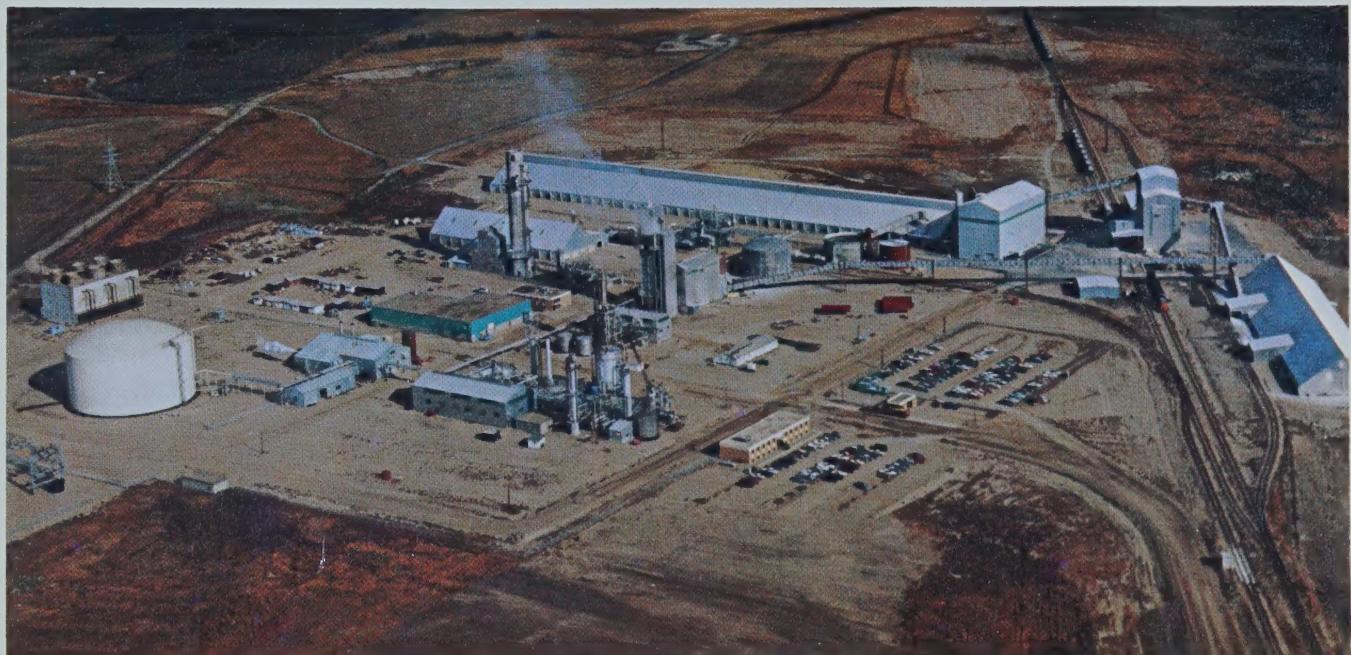
Cost of sales represented 48.7% of sales compared to 46.6% for 1970 and amounted to \$4,692,576. Operating, selling and admin-

istrative expenses amounted to \$2,394,274, up from the preceding year by 9.4%. Whereas controllable expenses have been kept to a minimum the Company has had to pay substantially more for natural gas and electricity and general taxes. Despite these pressures the Company's high standard of service to its customers has been maintained.

The Company's working capital position exclusive of bank borrowings continues to be excellent and at December 31, 1971 was \$7,073,059 compared to \$6,916,676 at the end of the year 1970. At the year end working capital included \$6,537,300 of short term investment. Cash from all sources during the year amounted to \$2,528,620, of which \$2,414,838 was from operations.

The Simplot Chemical Company Limited fertilizer plant, Brandon, Manitoba. The Company's largest industrial customer using natural gas as a feed stock.

The Hooker Chemicals Canada Limited chemical plant, Brandon, Manitoba, another large industrial user of natural gas.



During the year long term debt decreased by \$405,900 and 5,100 of the Company's Series A preferred shares were purchased with respect to the purchase fund for the outstanding preferred shares.

Highlights of the Company's operations for the years 1967 through 1971 are summarized on page 1 and some of these highlights are illustrated by graphs on page 5.

Marketing

During 1971 the Company negotiated the renewal of three franchises for terms of ten years, and added three new communities and one new farm system, all in the Province of Alberta. In addition the usual additions and extensions have been made to the existing systems throughout our service areas. The volume of gas sold during 1971 was 14,018,926 Mcf, a 10.3% increase over the preceding year. The electricity sales volume in the

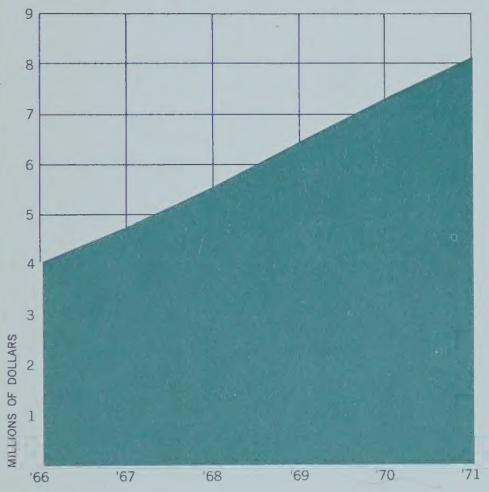
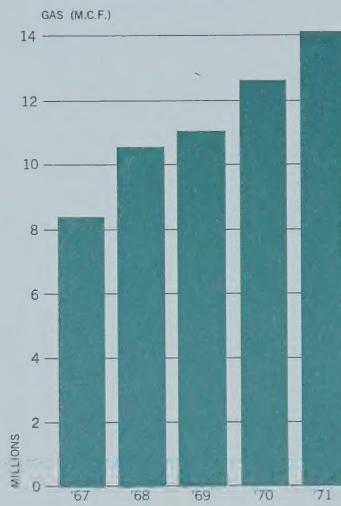
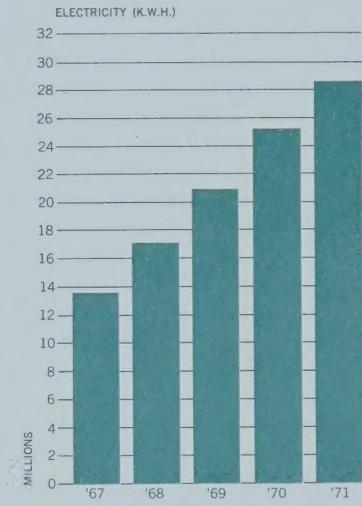
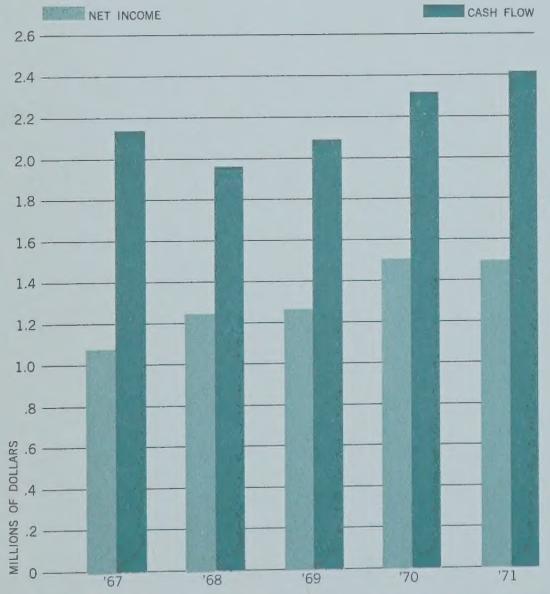
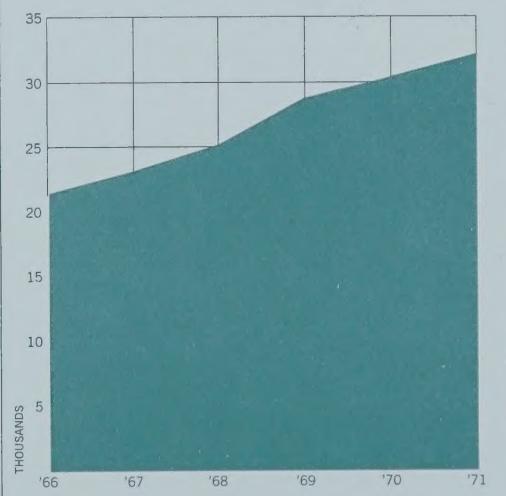
City of Yellowknife increased by 12.7% to 28,504,000 Kwh. Residential and commercial construction in the City of Yellowknife was down from what had been projected but present indications are that 1972 should show some improvement.

At year end the Company's utility customers had increased to 32,182 in 68 communities and 14 rural areas. There were an additional 5,090 customers to whom the Company sold 5,502,000 gallons of propane through six Company owned retail outlets.

Supply

The natural gas supply in the Provinces of Alberta and British Columbia were well in hand at the year end although a number of critical situations had been resolved during the year. As well as increasing the number of pipeline taps, 3 additional wells have been tied in to the systems. Presently the Company operates 14 wells owned by others and owns a further 8 wells, which except for one, are used as stand-by sources for peak demand in 2 towns. Two wells were acquired during the year.

In the Province of Manitoba Trans-Canada Pipelines Limited is the Company's sole supplier of natural gas, which is purchased under a demand and commodity contract. This supply arrangement is complemented by a propane-air peak shaving plant owned by the Company. During the year a public hearing of the

UTILITY REVENUES**UTILITY SALES VOLUMES****ELECTRICITY (K.W.H.)****NET INCOME AND CASH FLOW****UTILITY CUSTOMERS AT YEAR END**

National Energy Board was held in connection with an application by Trans-Canada Pipelines Limited for rate increases, and the Company made representations to the Board in connection therewith. The first phase of the hearing has been held and a decision as to rate base, cost of service and rate of return has been made by the Board. Based on this decision increased rates are expected but until a decision has been made by the Board, after phase 2 of the hearings, we are unable to determine with any degree of certainty the full impact on the cost of gas in Manitoba.

Capital Expenditures

During 1971 \$2,012,292 was expended on fixed assets, which amount was slightly in excess of the corresponding figure for 1970. Transmission and distribution facilities were expanded throughout all areas served and new systems were constructed in three communities and one rural area. The construction programme for the year accounted for 12 miles of transmission lines, 8 miles of distribution pipe, 31 miles of service lines and 87 miles

of plastic pipe. At year end the aggregate of all systems amounted to 2,658 miles of transmission and distribution pipelines.

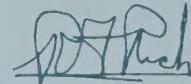
Future

In Alberta the Company will investigate new areas for expansion and continue the programme of expanding existing systems. It is proposed that twelve new communities and six new rural areas will be served with natural gas during 1972.

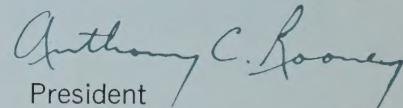
In Manitoba expenditures for fixed assets in 1972 will be principally for extensions to, and expansion of existing facilities. A system to serve another group of towns has been studied and a decision as to proceeding with applications for franchises and the construction of the systems will depend in large measure on the final decision of the National Energy Board as to rates for Manitoba.

On behalf of the Directors of the Company it is a pleasure to extend sincere thanks to all employees for their efforts during the past year.

Respectfully,



John F. Tuck
Chairman of the Board



Anthony C. Rooney
President

April 25, 1972.



Town of Barrhead, Alberta
Population 2,786
Division customers 1,189



City of Drumheller, Alberta
Population 5,828
Division customers 2,134



Town of Leduc, Alberta
Population 4,476
Division customers 2,065



Town of Morinville, Alberta
Population 1,483
Division customers 858



Town of Westlock, Alberta
Population 3,422
Division customers 1,456



City of Yellowknife, N.W.T.
Population 7,000
Division customers 2,035



**Aerial views of
some communities
served
by the Company**

Consolidated Balance Sheet

December 31, 1971 and 1970

ASSETS

Fixed at cost

	1971	1970
Transmission lines and distribution systems	\$19,237,259	\$18,088,700
Land, buildings and equipment	2,437,874	2,354,013
Oil and gas properties	2,217,403	1,899,635
Customers' installations	1,126,325	1,096,625
	<hr/> <u>25,018,861</u>	<hr/> <u>23,438,973</u>

Less

Accumulated depreciation	5,926,175	5,410,537
Accumulated depletion	821,886	734,133
	<hr/> <u>6,748,061</u>	<hr/> <u>6,144,670</u>
	<hr/> <u>18,270,800</u>	<hr/> <u>17,294,303</u>

Investments at cost

7 3/4% preferred shares of affiliate	5,250,000	5,250,000
Other	32,207	29,534
	<hr/> <u>5,282,207</u>	<hr/> <u>5,279,534</u>

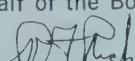
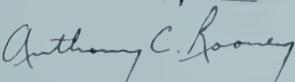
Current

Cash	84,534	162,767
Short term investments	6,537,300	5,910,444
Accounts receivable		
Trade	1,654,991	1,623,576
Parent	521,333	
Inventories at lower of cost or net realizable value	540,118	555,371
Prepaid expenses	28,968	20,588
	<hr/> <u>8,845,911</u>	<hr/> <u>8,794,079</u>

Other

Deferred charges less amounts written off	158,498	169,689
Cost of shares of subsidiaries over net book value at dates of purchase	278,781	278,781
	<hr/> <u>437,279</u>	<hr/> <u>448,470</u>
	<hr/> <u>\$32,836,197</u>	<hr/> <u>\$31,816,386</u>

LIABILITIES

	1971	1970
Shareholders' equity		
Capital (Note 3)		
Authorized		
250,000 preferred shares, par value \$25 each		
5,000,000 common shares, no par value		
Outstanding		
106,100 6% cumulative redeemable preferred shares (1970 - 111,200 shares)	\$ 2,652,500	\$ 2,780,000
3,130,000 common shares	6,034,970	6,034,970
Retained earnings (Notes 3 and 4)	5,992,627	5,276,795
	<u>14,680,097</u>	<u>14,091,765</u>
Minority interest in subsidiaries		
Capital	810,374	810,374
Surplus	812,678	694,301
	<u>1,623,052</u>	<u>1,504,675</u>
Long term debt (Note 5)	<u>12,337,000</u>	<u>12,742,900</u>
Deposits	317,665	292,076
Deferred income taxes (Note 6)	<u>167,531</u>	<u>127,567</u>
Current		
Bank loan and bankers' acceptances	1,938,000	1,180,000
Accounts payable and accrued charges		
Trade	1,491,251	1,214,310
Affiliates	143,881	419,814
Income taxes payable	2,378	114,375
Current maturities of long term debt	98,400	95,400
Deferred income	36,942	33,504
	<u>3,710,852</u>	<u>3,057,403</u>
On behalf of the Board:		
 Director.		
 Director.	<u>\$32,836,197</u>	<u>\$31,816,386</u>

See accompanying notes

Consolidated Statement of Earnings

Years ended December 31, 1971 and 1970

	<u>1971</u>	<u>1970</u>
Revenue		
Sales	\$ 9,982,224	\$ 8,948,620
Investment income (including \$406,875 dividend from an affiliate in 1971 and 1970)	823,758	940,550
Other	206,273	165,598
	<u>11,012,255</u>	<u>✓ 10,054,768 ✓</u>
Expenses		
Cost of sales	4,692,576	4,018,802
Operating, selling and administrative expenses	2,394,274	2,188,646
Interest and expense on long term debt	807,019	835,286
Other interest expense	74,031	44,653
Depreciation	685,996	647,411
Depletion	87,754	49,135
Minority interest in earnings of subsidiaries	118,370	118,631
	<u>8,860,020</u>	<u>7,902,564</u>
Earnings before income taxes and extraordinary item	2,152,235	2,152,204
Income taxes (Note 6)	657,415	658,337
Earnings for the year before extraordinary item		
(per common share 1971 - \$.43; 1970 - \$.42)	# 1,494,820	1,493,867 ✓
Gain on foreign exchange (Note 5)		168,750
Net earnings for the year		
(per common share 1971 - \$.43; 1970 - \$.48)	<u>\$ 1,494,820</u>	<u>\$ 1,662,617</u>

See accompanying notes

Consolidated Statement of Retained Earnings

Years ended December 31, 1971 and 1970

	<u>1971</u>	<u>1970</u>
Balance at beginning of year	\$ 5,276,795	\$ 4,398,453
Add net earnings for the year	1,494,820	1,662,617
	<u>6,771,615</u>	<u>6,061,070</u>
Deduct dividends		
Preferred shares	163,388	168,675
Common shares	615,600	615,600
	<u>778,988</u>	<u>784,275</u>
Balance at end of year	<u>\$ 5,992,627</u>	<u>\$ 5,276,795</u>

See accompanying notes

Consolidated Statement of Source and Use of Funds

Years ended December 31, 1971 and 1970

	<u>1971</u>	<u>1970</u>
Source of funds		
Operations		
Net earnings for the year	\$1,494,820	\$1,662,617
Add		
Depreciation and depletion	773,750	696,546
Deferred income taxes	39,964	39,559
Gain on foreign exchange	(168,750)	
Other	106,304	93,995
Cash flow from operations	2,414,838	2,323,967
Disposal of fixed assets	94,202	149,146
Other	19,580	59,107
	<u>2,528,620</u>	<u>2,532,220</u>
Use of funds		
Additions to fixed assets	2,012,292	2,001,647
Less customer contributions	194,443	307,382
	<u>1,817,849</u>	<u>1,694,265</u>
Reduction of selling price of fixed assets in a prior year		231,328
Redemption of preferred shares	127,500	75,000
Reduction of long term debt	405,900	307,421
Dividends on common and preferred shares	778,988	784,275
	<u>3,130,237</u>	<u>3,092,289</u>
Decrease in working capital	<u>\$ 601,617</u>	<u>\$ 560,069</u>

See accompanying notes

Notes to Consolidated Financial Statements

December 31, 1971

1. Consolidation policy

The consolidated financial statements include the accounts of Great Northern Gas Utilities Ltd. and all its subsidiaries.

2. Fixed assets

Depreciation of fixed assets, other than oil and gas properties and equipment, is provided on a straight line basis at rates varying from 2% to 20% which are designed to amortize the cost of the assets over their estimated useful lives.

All costs related to the acquisition of, exploration for and development of oil and gas properties, whether productive or non-productive, are capitalized and depleted on the composite unit of production method based on total estimated reserves of oil and gas.

3. Capital

Under the provisions relating to the outstanding preferred shares the Company is required to purchase annually for redemption, \$60,000 par value of preferred shares (cumulative to a maximum of \$120,000 in any calendar year) if available on the open market, at a price not exceeding \$24.50 per share. The Company has satisfied this obligation to November 30, 1975. In addition, the preferred shares are redeemable at any time at a price of \$26.25 per share.

To December 31, 1971, the Company has redeemed 19,945 preferred shares of an aggregate par value of \$498,625 (5,100

shares during 1971). Accordingly, consolidated retained earnings include \$498,625 designated as "capital surplus" under the provisions of the Canada Corporations Act.

4. Dividend restrictions

The provisions relating to the preferred shares and the 7½% promissory note contain restrictions as to the declaration and payment of cash dividends on common shares, the most restrictive of which at December 31, 1971 limits the payment of such dividends to an amount which would not exceed \$2,126,000.

5. Long term debt

	1971	1970
6% Sinking Fund Debentures, Series A due 1985	\$ 8,083,000	\$ 8,389,500
7½% Promissory Note, due 1989 (\$3,960,000 U.S.)	4,078,800	4,120,000
6% Sinking Fund Bonds, Series A of a subsidiary, due 1976	234,000	276,000
7% Notes	39,600	52,800
	<hr/>	<hr/>
	12,435,400	12,838,300
Less current maturities included in current liabilities	98,400	95,400
	<hr/>	<hr/>
	\$12,337,000	\$12,742,900

As a result of the freeing of the rate of exchange between the Canadian and United States dollar in 1970, the Company has adjusted the carrying value of the 7½% Promissory Note on the basis that \$1.00 U.S. equals \$1.03 Canadian. The resulting gain of \$168,750 is included in 1970 earnings as an extraordinary item.

Long term debt repayments will be as follows: 1973 – \$99,000; 1974 – \$279,000; 1975 – \$397,000 and 1976 – \$407,000.

6. Income taxes

For income tax purposes the companies claim capital cost allowances (depreciation) in excess of the related charges to earnings. Certain regulated subsidiaries record only income taxes payable in determining rates and accordingly, deferred income taxes are not provided in the accounts of such companies with respect to claiming capital cost allowances in excess of depreciation reflected in the accounts. In the case of the remaining companies where capital cost allowances exceeded depreciation reflected in the accounts, deferred income taxes of \$40,000 were provided in 1971 (1970 - \$39,500).

In addition, certain subsidiaries engaged in oil and gas operations claim drilling, exploration and lease acquisition costs for income tax purposes in excess of the related depletion reflected in the accounts. The companies, in common with many other companies in the Canadian oil and gas industry, believe that tax allocation accounting applied to claims for drilling, exploration and lease acquisition costs is not appropriate and accordingly, no provision has been made for deferred income taxes on timing differences involving such costs.

If the tax allocation basis of accounting had been followed for all timing differences between taxable income and recorded

income, the income tax provision would have been increased and net income for the year would have been decreased by \$223,000 - \$.07 per share (\$184,000 - \$.06 per share in 1970).

The accumulated unrecorded income tax reductions related to all timing differences in the current and prior years amount to approximately \$1,567,000 at December 31, 1971.

Accumulated expenditures remain to be carried forward and applied against future taxable income as follows:

	1971	1970
Drilling, exploration and lease acquisition costs	\$ 117,000	\$ 146,000
Undepreciated capital costs	\$13,806,000	\$13,345,000

7. Other statutory information

The Company has nine directors and five officers who were paid the following remuneration during 1971:

	Directors	Officers	Total
Paid by the Company	\$10,400	\$126,800	\$137,200
Paid by subsidiaries	800	1,900	2,700
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$11,200	\$128,700	\$139,900

Two officers are also directors.

The remuneration (as defined by The Securities Act of Ontario) paid to directors and senior officers of the Company during 1971, including the five highest paid employees, amounted to \$154,000.

Auditors' Report

To the Shareholders of
Great Northern Gas Utilities Ltd.

We have examined the consolidated balance sheet of Great Northern Gas Utilities Ltd. and subsidiaries as at December 31, 1971 and the consolidated statements of earnings, retained earnings and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1971 and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Calgary, Canada.
February 15, 1972.

Clarkson, Gordon & Co.
Chartered Accountants.

Board of Directors

FERNAND E. CHENU
Brussels, Belgium

E. JACQUES COURTOIS, Q.C.
Montreal, Quebec

MARC H. DHAVERNAS
Montreal, Quebec

MICHAEL H. FINNELL
Calgary, Alberta

JACQUES GLORIEUX
Brussels, Belgium

RAYMOND A. RICH
Chairman of the Board

ANTHONY C. ROONEY
President

J. GRANT SPRATT
Calgary, Alberta

DAVID R. WILLIAMS, JR.
Tulsa, Oklahoma

Subsidiary Companies

Plains-Western Gas & Electric Co. Ltd.
Operating in Alberta, British Columbia
and Yellowknife, N.W.T.

Plains-Western Gas (Manitoba) Ltd.
Operating in Manitoba

Rockgas Utilities Ltd.
Operating in British Columbia

Fort St. John Petroleums Ltd.
Operating in British Columbia and Alberta

Transfer Agents and Registrar

Montreal Trust Company,
Montreal, Toronto and Calgary

Trustee for Debentures

Montreal Trust Company,
Montreal, Toronto, Edmonton and Calgary

Officers

RAYMOND A. RICH
Chairman of the Board

ANTHONY C. ROONEY
President

ROBERT C. WHARTON
Vice-President, Operations

ERNEST W. STRAUS
*Vice-President, Administration
and Treasurer*

WILLIAM A. TROUGHTON
Secretary

Head Office

700 Three Calgary Place, Calgary 1, Alberta

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INTERIM REPORT

Six Months Ended June 30, 1971

Great Northern Gas Utilities Ltd.



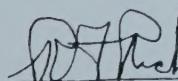
TO THE SHAREHOLDERS:

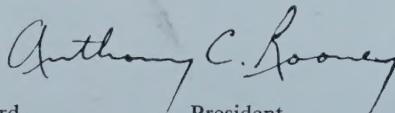
Net earnings for the six months period ended June 30, 1971, before extraordinary items amounted to \$1,007,130 compared to \$923,360 for the same period of 1970, an increase of 9%. There were no extraordinary items in 1971 whereas for the year 1970 such items amounted to \$168,750. These earnings were achieved from operating revenues of \$5,612,104 compared to \$4,871,513 the year earlier, an increase of 15%. Other income at \$448,759 for 1971 was 17% less than for the same period of 1970. Total expenses including cost of sales increased by 10% to \$4,335,485. Earnings from operations increased by approximately 29% whereas earnings from investments decreased by 27%, principally due to the lower rates of return on the investment of surplus cash in the short term money market.

Sales volumes for the six months ended June 30, 1971 were 7,748,000 Mcf and 15,761,000 Kwh compared to 7,106,000 Mcf and 12,947,000 Kwh for 1970, increases of 9% and 22% respectively.

The capital construction programme for 1971, which is presently in progress, will for the most part consist of extensions and expansions in existing service areas.

A summary of the operating results and a statement of source and application of funds of the Company and its Subsidiaries for the six months ended June 30, 1971, with comparative figures for the same period of 1970 follows.


Chairman of the Board


President

August 20, 1971.

CONSOLIDATED STATEMENT OF EARNINGS
Six months ended June 30

	1971	1970
Revenue:		
Sales	\$5,612,104	\$4,871,513
Income from investment in affiliate	203,438	203,437
Other	245,321	334,068
	<u>6,060,863</u>	<u>5,409,018</u>
Expenses:		
Cost of Sales	2,300,655	2,008,790
Operating, selling and administrative expenses ..	1,146,586	1,092,054
Interest and expense on long term debt	407,270	421,666
Other interest expense	43,259	19,904
Depreciation	337,001	329,938
Depletion	39,742	23,480
Minority interest in earnings of subsidiaries ..	60,972	54,407
	<u>4,335,485</u>	<u>3,950,239</u>
Earnings before income taxes and extraordinary item	1,725,378	1,458,779
Income Taxes	<u>717,748</u>	<u>535,419</u>
Earnings for the period before extraordinary item (per common share 1971—\$.32; 1970—\$.29)	1,007,630	923,360
Gain on foreign exchange	<u>168,750</u>	
Net earnings for the period (per common share 1971—\$.32; 1970—\$.35)	<u>\$1,007,630</u>	<u>\$1,092,110</u>

CONSOLIDATED STATEMENT
SOURCE AND APPLICATION OF FUNDS
Six months ended June 30

	1971	1970
Funds were provided from:		
Operations —		
Net earnings for the period	\$1,007,630	\$1,092,110
Add — depreciation and depletion ..	376,743	353,418
— deferred income taxes	18,287	23,283
— gain on foreign exchange		
— other	45,785	(168,750)
	<u>45,785</u>	<u>26,619</u>
Cash flow from operations	1,448,445	1,326,680
Disposal of fixed assets	44,119	43,537
Other	(16,769)	18,999
	<u>1,475,795</u>	<u>1,389,216</u>
Funds were applied to:		
Purchase of fixed assets	538,947	498,908
Less customer contributions	24,680	28,677
	<u>514,267</u>	<u>470,231</u>
Reduction of selling price of fixed assets in a prior year		231,328
Redemption of preferred shares	50,000	37,500
Reduction of long term debt	163,262	240,799
Dividends on common and preferred shares	389,700	392,737
Financing and development costs	18,405	8,042
	<u>1,135,634</u>	<u>1,380,637</u>
Increase in working capital during the period	<u>\$ 340,161</u>	<u>\$ 8,579</u>

NOTE: Certain accounts for 1970 have been re-classified to conform with year-end classifications.

(prepared from the records of the Company without audit)